

## **10 T.C. 1121 (1948)**

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A transfer to an irrevocable inter vivos trust is not made in contemplation of death if the primary motive was to fulfill a perceived moral obligation and the grantor was in good health with a zest for life, even if the transfer also assures the beneficiaries' receipt of the funds upon the grantor's death.

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### **Summary**

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The Tax Court addressed whether the corpus of an inter vivos trust should be included in the decedent's gross estate under Section 811(c) of the Internal Revenue Code, either as a transfer intended to take effect at death or as a transfer in contemplation of death. The decedent, Emma L. Keck, created an irrevocable trust 15 years before her death, retaining a life income interest, with the remainder to her children. The court held that the trust was not made in contemplation of death because the decedent's primary motive was to fulfill her deceased husband's wishes, and she was healthy and actively enjoying life when she created the trust. The court also held that the possibility of reverter did not cause the trust to be included in the estate.

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### **Facts**

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Emma L. Keck executed an irrevocable inter vivos trust in 1928, 15 years before her death, transferring \$122,000 to a trust company. The trust provided income to Keck for life, then to her two children. Upon each child's death, their share of the principal would go to their issue. Keck's husband's will had left his estate to her